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4  
5 MARK D. WALDRON  
6 Chapter 11 Trustee  
7 6711 Regents Blvd. W., Suite B  
8 Tacoma, WA 98466  
9 Telephone: (253) 565-5800  
10  
11

The Honorable Frederick P. Corbit  
Chapter 11

12  
13  
14  
15 IN THE UNITED STATES BANKRUPTCY COURT  
16 FOR THE EASTERN DISTRICT OF WASHINGTON  
17  
18

19 In Re: )  
20 GIGA WATT INC. ) Case No. 18-03197-FPC11  
21 Debtor. )  
22 \_\_\_\_\_) CHAPTER 11 TRUSTEE'S MONTHLY  
23 ) FINANCIAL REPORT FOR  
24 ) DECEMBER 2019  
25

26 COMES NOW Mark D. Waldron, the Court-appointed and acting Chapter 11  
27 Trustee in the above proceeding, and files this Monthly Financial Report for the month of  
28 December 2019. Attached to this report are the Ledger Report (Exhibit 1), Operating  
29 Statement (Exhibit 2), and bank statement for December 2019 (Exhibit 3), incorporated  
30 herein by reference. Also attached is a detailed narrative report from Court-appointed  
31 consultant Douglas Pratt regarding Giga Watt's mining operations for December 2019  
32 (Exhibit 4), incorporated herein by reference.  
33

34 1. Moses Lake Facility. The Estate continues to operate the Moses Lake  
35 facility. Mining revenues for December 2019 at Moses Lake were \$183,134.33, with an  
36



37 Law Offices of Mark D. Waldron  
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42

1 additional \$27,578.70 of revenue from subtenant Eco Diversified Holdings for its  
2 December 2019 rent (\$9,000.00) and proportional obligation for the November 2019  
3 utilities (\$18,578.70). Utility payments are current at the Moses Lake facility. With regard  
4 to rent, the Estate paid \$25,000.00 of the \$61,000.00 rent due. As a result of cash flow  
5 shortage due to a drop in the price of bitcoin, the Trustee is working with the landlord at the  
6 Moses Lake facility on rent deferrals while the Trustee is actively discussing sale of both  
7 the Moses Lake and TNT facilities with potential buyers and interested parties.

8       2. TNT Facility. The Estate continues to operate the TNT facility in East  
9 Wenatchee. Mining revenues at TNT for December 2019 were \$69,447.07. Pursuant to  
10 the Court-approved Super-Priority Unsecured Credit Agreement, the Estate is current on  
11 the payments due the DIP lender. In addition, the rent and utility payments are current at  
12 the TNT facility.

13       3. The Court-appointed CPA continues to prepare Debtor's required monthly  
14 tax reports, specifically the Department of Revenue reporting, and the Estate continues to  
15 pay the corresponding B&O taxes due. At month end, the Debtor was not delinquent on  
16 any post-petition tax obligations.

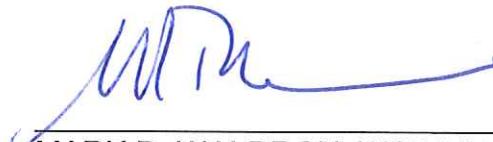
17       4. For purposes of calculating the Debtor's obligations under 28 USC 1930(a)(6)  
18 to pay a quarterly fee to the United States Trustee, **TOTAL DISBURSEMENTS** for the  
19 month of December 2019 were **\$380,512.18**. The Trustee continues to file Monthly  
20 Financial Reports and pay the quarterly U.S. Trustee fees pursuant to the current rate  
21 schedule. Fourth Quarter 2019 U.S. Trustee fees in the amount of \$4,875.00 were paid  
22 on January 2, 2020. All U.S. Trustee fee payments and all Monthly Financial Reports are  
23 current.



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email: mark@mwaldronlaw.com

1 I certify under penalty of perjury that the information contained in this Monthly  
2 Financial Report is complete, true, and accurate to the best of my knowledge, information  
3 and belief.

4 DATED this 10<sup>th</sup> day of January, 2020.

5   
6

7 MARK D. WALDRON, WSBA# 9578  
8 Chapter 11 Trustee for the Estate of  
9 Giga Watt Inc.



# EXHIBIT 1

## Ledger Report

Page: 1

Case Number: 18-03197-FPC11 FPC  
 Case Name: GIGA WATT INC.  
 Taxpayer ID #: 81-4797010  
 Period: 12/01/19 - 12/31/19

Trustee: Mr. Mark D. Waldron (670070)  
 Bank Name: Metropolitan Commercial Bank  
 Account: \*\*\*\*\*25 - Checking Account  
 Blanket Bond: \$0.00 (per case limit)  
 Separate Bond: N/A

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
12/02/19	311	Insta Stor Inc.	Invoice #3245 (storage container rental through December 2019)	6004-000		134.88	174,981.50
12/02/19	312	Allen Oh	Invoices #37 and #38 (Moses Lake, through 11/28/19) Voided on 12/02/19	6007-013		4,828.92	170,152.58
12/02/19	312	Allen Oh	Invoices #37 and #38 (Moses Lake, through 11/28/19) Voided: check issued on 12/02/19	6007-013		-4,828.92	174,981.50
12/02/19	313	David Knowles	Invoice dated 12/1/19 (TNT, through 11/30/19)	6007-013		2,156.00	172,825.50
12/02/19	314	David Knowles	Reimbursement of costs advanced (TNT, Invoice dated 12/1/19)	6007-014		108.33	172,717.17
12/02/19	315	Lauren Miehe	Invoice dated 12/1/19 (TNT, through 12/1/19)	6007-013		5,700.00	167,017.17
12/02/19	316	Skyler Simpson	Invoice dated 12/1/19 (Moses Lake, through 11/29/19)	6007-013		1,862.50	165,154.67
12/02/19	317	Austin Harrison	Invoice dated 12/1/19 (Moses Lake, through 11/29/19)	6007-013		2,400.00	162,754.67
12/02/19	318	Porfirio Jaimes	Invoice dated 12/1/19 (Moses Lake, through 11/30/19) Voided on 12/02/19	6007-013		1,470.75	161,283.92
12/02/19	318	Porfirio Jaimes	Invoice dated 12/1/19 (Moses Lake, through 11/30/19) Voided: check issued on 12/02/19	6007-013		-1,470.75	162,754.67
12/02/19	319	Porfirio Jaimes	Reimbursement for cost advance (Moses Lake, Invoice dated 12/1/19)	6007-014		149.04	162,605.63
12/02/19	319	Porfirio Jaimes	Reimbursement for cost advance (Moses Lake, Invoice dated 12/1/19)	6007-014		-149.04	162,754.67
<b>Subtotals :</b>					<b>\$0.00</b>	<b>\$12,361.71</b>	

{} Asset reference(s)

18-03197-FPC7

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Pg 4 of 17

## Ledger Report

Case Number: 18-03197-FPC11 FPC  
 Case Name: GIGA WATT INC.  
 Taxpayer ID #: 81-4797010  
 Period: 12/01/19 - 12/31/19

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
12/02/19	320	Cuttin Rugs LLC	Invoices #37 and #38 (Moses Lake, through 1/1/28/19)	6007-013		4,828.92	157,925.75
12/02/19	321	Douglas County PUD	Account No. 73559117, utilities for TNT facility	6010-000		42,035.00	115,890.75
12/02/19	322	Porfirio Jaimes	Invoice dated 12/1/19 (Moses Lake, through 1/1/30/19)	6007-013		1,147.00	114,743.75
12/02/19	323	Porfirio Jaimes	Invoice dated 12/1/19 (TNT, through 11/30/19)	6007-013		323.75	114,420.00
12/02/19	324	Porfirio Jaimes	Reimbursement for cost advanced (TNT, Invoice dated 12/1/19)	6007-014		149.04	114,270.96
12/02/19		MLDC I, LLC	Remaining balance due for rent and utilities for November 2019 (Moses Lake facility)	6003-000		58,513.86	55,757.10
12/02/19		Randy Michelson	Loan payment per Super-Priority Unsecured Credit Agreement (TNT)	6004-000		25,000.00	30,757.10
12/03/19		Eco Diversified Holdings	December 2019 rent for Pod 8 of Parcel E pods, Moses Lake facility	4002-00	9,000.00		39,757.10
12/04/19	325	Waste Management of Wenatchee	Customer ID #19-19019-33003, Invoice #1842923-2674-3	6010-000		124.28	39,632.82
12/05/19		Moses Lake (\$46,777.14) and TNT (\$17,403.48) facilities	Mining operations	4001-000	64,180.62		103,813.44
12/05/19	326	LocalTel	Acct. #61297, Statement dated 11/30/19 (TNT facility)	6010-000		110.85	103,702.59
12/09/19		MLDC I, LLC	100% of Moses Lake revenue (through 12-5-19)	6003-000		46,777.14	56,925.45
12/12/19		Moses Lake (\$47,571.32) and TNT (\$17,594.10) facilities	Mining operations	4001-000	65,165.42		122,090.87
12/13/19	327	Stretto	Invoice #3223	6007-000		1,208.00	120,882.87
12/13/19		MLDC I, LLC	77% of Moses Lake revenue (through 12-12-19)	6003-000		36,629.92	84,252.95
<b>Subtotals :</b>							<b>\$138,346.04</b>
<b>} Asset reference(s)</b>							<b>\$216,847.76</b>

## Ledger Report

Case Number: 18-03197-FPC11 FPC  
 Case Name: GIGA WATT INC.

Taxpayer ID #: 81-4797010  
 Period: 12/01/19 - 12/31/19

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
12/16/19		Eco Diversified Holdings	Utilities for November 2019, Pod 8 of Parcel E pods, Moses Lake facility	4099-000	18,578.70		102,831.65
12/16/19	328	Cuttin Rugs LLC	Invoices #39 and #40 (Moses Lake, through 12/13/19)	6007-013		6,600.00	96,231.65
12/16/19	329	Skyler Simpson	Invoice dated 12-15-19 (Moses Lake, through 12-6-19)	6007-013		1,050.00	95,181.65
12/16/19	330	Austin Harrison	Invoice dated 12-15-19 (Moses Lake, through 12-13-19)	6007-013		2,400.00	92,781.65
12/16/19	331	Porfirio Jaimes	Invoice dated 12-15-19 (Moses Lake, through 12-15-19)	6007-013		1,480.00	91,301.65
12/16/19	332	David Knowles	Invoice dated 12-15-19 (TNT, through 12-12-19)	6007-013		2,044.00	89,257.65
12/16/19	333	Lauren Miehe	Invoice dated 12-15-19 (TNT, through 12-13-19)	6007-013		5,925.00	83,332.65
12/16/19	334	Lauren Miehe	Invoice dated 12-15-19 (TNT, reimbursement for costs)	6007-014		171.17	83,161.48
12/16/19	335	TNT Business Complexes, LLC	Reimbursement for After Hours Plumbing & Heating (Invoice #62100)	6010-000		190.68	82,970.80
12/17/19	336	TNT Business Complexes, LLC	Lease payment for January 2020 (TNT facility)	6003-000		11,600.00	71,370.80
12/19/19		Moses Lake (\$45,995.85) and TNT (\$16,932.44) facilities	Mining operations	4001-000	62,028.29		133,399.09
12/20/19		MLDC I, LLC	77% of Moses Lake revenue (through 12-19-19)	6003-000		34,723.80	98,675.29
12/26/19		Moses Lake (\$43,690.02) and TNT (\$17,517.05) facilities	Mining operations	4001-000	61,207.07		159,882.36
12/26/19		MLDC I, LLC	Remaining balance due for utilities	6003-000		36,724.59	123,157.77
12/27/19		Washington State Department of	604-067-749, Giga Watt, Inc., B&O taxes due	6006-002		4,482.50	118,675.27
						<b>Subtotals :</b>	<b>\$141,814.06</b>
							<b>\$107,391.74</b>

## Ledger Report

Case Number: 18-03197-FPC11 FPC  
 Case Name: GIGA WATT INC.  
 Taxpayer ID #: 81-4797010  
 Period: 12/01/19 - 12/31/19

Trustee: Mr. Mark D. Waldron (670070)  
 Bank Name: Metropolitan Commercial Bank  
 Account: \*\*\*\*\*25 - Checking Account  
 Blanket Bond: \$0.00 (per case limit)  
 Separate Bond: N/A

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
12/30/19	337	Cuttin Rugs LLC	for November 2019 Invoices No. 41 and 42 ((through 12-29-19)	6007-013		6,000.00	112,675.27
12/30/19	338	Lauren Miehe	Invoice dated 12-29-19 (through 12-28-19) (TNT)	6007-013		4,875.00	107,800.27
12/30/19	339	Lauren Miehe	Reimbursement for costs (locksmith services at TNT)	6007-014		112.47	107,687.80
12/30/19	340	David Knowles	Invoice dated 12-29-19 (through 12-28-19) (TNT)	6007-013		2,240.00	105,447.80
12/30/19	341	Austin Harrison	Invoice dated 12-29-19 (through 12-27-19)	6007-013		2,160.00	103,287.80
12/30/19	342	Skyler Simpson	Invoice dated 12-29-19 (through 12-28-19)	6007-013		2,025.00	101,262.80
12/30/19	343	Porfirio Jaimes	Invoice dated 12-29-19 (through 12-27-19)	6007-013		1,498.50	99,764.30
12/31/19		MLDC 1, LLC	Partial payment of December 2019 rent	6003-000		25,000.00	74,764.30

3,466,639.73 3,391,875.43 \$74,764.30

## ACCOUNT TOTALS

## TOTAL - ACCOUNT \*\*\*\*\*25

Balance Forward	175,116.38			
2 Deposits	27,578.70	33 Checks	112,660.37	
0 Interest Postings	0.00	8 Adjustments Out	267,851.81	
Subtotal	\$202,695.08	0 Transfers Out	0.00	
4 Adjustments In	252,581.40	Total	\$380,512.18	
0 Transfers In	0.00			
Total	\$455,276.48			

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# GIGA WATT INC. (18-03197-FPC11)

## Operating Statement

Page: 1

Period: 12/01/19 - 12/31/19

**Income**

4001-000	Revenue from Operating Business			
4001-000	Revenue from Operating Business			
12/05/19	Dep. Adj.: 86	3910019625	Moses Lake (\$46,777.14) and TNT (\$17,403.48) facilities Mining operations	\$64,180.62
12/12/19	Dep. Adj.: 88	3910019625	Moses Lake (\$47,571.32) and TNT (\$17,594.10) facilities Mining operations	\$65,165.42
12/19/19	Dep. Adj.: 90	3910019625	Moses Lake (\$45,095.85) and TNT (\$16,932.44) facilities Mining operations	\$62,028.29
12/26/19	Dep. Adj.: 93	3910019625	Moses Lake (\$43,690.02) and TNT (\$17,517.05) facilities Mining operations	\$61,207.07
				\$252,581.40
4002-00	Rents			
4002-00	Rents			
12/03/19	Deposit: 100019-1	3910019625	Eco Diversified Holdings December 2019 rent for Pod 8 of Parcel E pods, Moses Lake facility	\$9,000.00
				\$9,000.00
4099-000	Other Receipts			
4099-000	Other Receipts			
12/16/19	Deposit: 100020-1	3910019625	Eco Diversified Holdings Utilities for November 2019, Pod 8 of Parcel E pods, Moses Lake facility	\$18,578.70
				\$18,578.70
<b>Total Income</b>				<b>\$280,160.10</b>

**Expenses**

6003-000	Admin. Rent			
6003-000	Admin. Rent			
12/02/19	Disb. Adj.: 84	3910019625	MLDC I, LLC Remaining balance due for rent and utilities for November 2019 (Moses Lake facility)	\$58,513.86
12/09/19	Disb. Adj.: 87	3910019625	MLDC I, LLC 100% of Moses Lake revenue (through 12-5-19)	\$46,777.14
12/13/19	Disb. Adj.: 89	3910019625	MLDC I, LLC 77% of Moses Lake revenue (through 12-12-19)	\$36,629.92
12/17/19	Check: 336	3910019625	TNT Business Complexes, LLC Lease payment for January 2020 (TNT facility)	\$11,600.00
12/20/19	Disb. Adj.: 91	3910019625	MLDC I, LLC 77% of Moses Lake revenue (through 12-19-19)	\$34,723.80
12/26/19	Disb. Adj.: 92	3910019625	MLDC I, LLC Remaining balance due for utilities	\$36,724.59
12/31/19	Disb. Adj.: 95	3910019625	MLDC I, LLC Partial payment of December 2019 rent	\$25,000.00
				\$249,969.31

6004-000	Costs to Secure/Maintain Property			
6004-000	Costs to Secure/Maintain Property			
12/02/19	Check: 311	3910019625	Insta Stor Inc. Invoice #3245 (storage container rental through December 2019)	\$134.88
12/02/19	Disb. Adj.: 85	3910019625	Randy Michelson	\$25,000.00

# GIGA WATT INC. (18-03197-FPC11)

## Operating Statement

Period: 12/01/19 - 12/31/19

Loan payment per Super-Priority Unsecured Credit  
Agreement (TNT)

\$25,134.88

6006-002 Taxes - State				
6006-002 Taxes - State				
12/27/19 Disb. Adj.: 94	3910019625	Washington State Department of Revenue 604-067-749, Giga Watt, Inc., B&O taxes due for November 2019		\$4,482.50
				\$4,482.50
6007-000 Professional Fees & Expenses				
6007-000 Professional Fees & Expenses				
12/13/19 Check: 327	3910019625	Stretto Invoice #3223	\$1,208.00	
				\$1,208.00
6007-013 Consultant for Trustee Fees				
12/02/19 Void: 312	3910019625	Allen Oh Invoices #37 and #38 (Moses Lake, through 11/28/19)	\$0.00	
12/02/19 Check: 313	3910019625	David Knowles Invoice dated 12/1/19 (TNT, through 11/30/19)	\$2,156.00	
12/02/19 Check: 315	3910019625	Lauren Miehe Invoice dated 12/1/19 (TNT, through 12/1/19)	\$5,700.00	
12/02/19 Check: 316	3910019625	Skyler Simpson Invoice dated 12/1/19 (Moses Lake, through 11/29/19)	\$1,862.50	
12/02/19 Check: 317	3910019625	Austin Harrison Invoice dated 12/1/19 (Moses Lake, through 11/29/19)	\$2,400.00	
12/02/19 Void: 318	3910019625	Porfirio Jaimes Invoice dated 12/1/19 (Moses Lake, through 11/30/19)	\$0.00	
12/02/19 Check: 320	3910019625	Cuttin Rugs LLC Invoices #37 and #38 (Moses Lake, through 11/28/19)	\$4,828.92	
12/02/19 Check: 322	3910019625	Porfirio Jaimes Invoice dated 12/1/19 (Moses Lake, through 11/30/19)	\$1,147.00	
12/02/19 Check: 323	3910019625	Porfirio Jaimes Invoice dated 12/1/19 (TNT, through 11/30/19)	\$323.75	
12/16/19 Check: 328	3910019625	Cuttin Rugs LLC Invoices #39 and #40 (Moses Lake, through 12/13/19)	\$6,600.00	
12/16/19 Check: 329	3910019625	Skyler Simpson Invoice dated 12-15-19 (Moses Lake, through 12-6-19)	\$1,050.00	
12/16/19 Check: 330	3910019625	Austin Harrison Invoice dated 12-15-19 (Moses Lake, through 12-13-19)	\$2,400.00	
12/16/19 Check: 331	3910019625	Porfirio Jaimes Invoice dated 12-15-19 (Moses Lake, through 12-13-19)	\$1,480.00	

# GIGA WATT INC. (18-03197-FPC11)

## Operating Statement

Period: 12/01/19 - 12/31/19

12/16/19	Check: 332	3910019625	through 12-15-19) David Knowles Invoice dated 12-15-19 (TNT, through 12-12-19)	\$2,044.00
12/16/19	Check: 333	3910019625	Lauren Miehe Invoice dated 12-15-19 (TNT, through 12-13-19)	\$5,925.00
12/30/19	Check: 337	3910019625	Cuttin Rugs LLC Invoices No. 41 and 42 ((through 12-29-19)	\$6,000.00
12/30/19	Check: 338	3910019625	Lauren Miehe Invoice dated 12-29-19 (through 12-28-19) (TNT)	\$4,875.00
12/30/19	Check: 340	3910019625	David Knowles Invoice dated 12-29-19 (through 12-28-19) (TNT)	\$2,240.00
12/30/19	Check: 341	3910019625	Austin Harrison Invoice dated 12-29-19 (through 12-27-19)	\$2,160.00
12/30/19	Check: 342	3910019625	Skyler Simpson Invoice dated 12-29-19 (through 12-28-19)	\$2,025.00
12/30/19	Check: 343	3910019625	Porfirio Jaimes Invoice dated 12-29-19 (through 12-27-19)	\$1,498.50
				<b>\$56,715.67</b>

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6007-014 Consultant for Trustee Expenses

12/02/19	Check: 314	3910019625	David Knowles Reimbursement of costs advanced (TNT, Invoice dated 12/1/19)	\$108.33
12/02/19	Void: 319	3910019625	Porfirio Jaimes Reimbursement for cost advance (Moses Lake, Invoice dated 12/1/19)	\$0.00
12/02/19	Check: 324	3910019625	Porfirio Jaimes Reimbursement for cost advanced (TNT, Invoice dated 12/1/19)	\$149.04
12/16/19	Check: 334	3910019625	Lauren Miehe Invoice dated 12-15-19 (TNT, reimbursement for costs)	\$171.17
12/30/19	Check: 339	3910019625	Lauren Miehe Reimbursement for costs (locksmith services at TNT)	\$112.47
				<b>\$541.01</b>

**\$58,464.68**

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6010-000 Other Expenses

## 6010-000 Other Expenses

12/02/19	Check: 321	3910019625	Douglas County PUD Account No. 735917, utilities for TNT facility	\$42,035.00
12/04/19	Check: 325	3910019625	Waste Management of Wenatchee Customer ID #19-19019-33003, Invoice #1842923-2674-3	\$124.28
12/05/19	Check: 326	3910019625	LocalTel Acct. #61297, Statement dated 11/30/19 (TNT facility)	\$110.85
12/16/19	Check: 335	3910019625	TNT Business Complexes, LLC	\$190.68

**GIGA WATT INC. (18-03197-FPC11)**  
**Operating Statement**

Period: 12/01/19 - 12/31/19

Reimbursement for After Hours Plumbing & Heating  
(Invoice #62100)

		<u>\$42,460.81</u>
<b>Total Expenses</b>		<u>\$380,512.18</u>
<b>Net Income</b>		<u><b>\$-100,352.08</b></u>

Mr. Mark D. Waldron  
6711 Regents Blvd West  
Tacoma WA 98466

**RECEIVED**

JAN 07 2020

Law Offices of  
Mark D. Waldron, PLLC

Case Number	18-03197-FPC11
Case Name	GIGA WATT INC
Trustee Number	DEBTOR
Trustee Name	670070
	Mr. Mark D. Waldron
	TRUSTEE

Questions:  
800.634.7734  
[banking.services@stretto.com](mailto:banking.services@stretto.com)  
[www.stretto.com](http://www.stretto.com)

**Consolidated Balance Summary**

Account	Number	Ending Balance Prior Period	Ending Balance This Period
Checking Account			
TRUSTEE CHECKING	3910019625	\$201,771.01	\$136,875.27
<b>Total</b>		<b>\$201,771.01</b>	<b>\$136,875.27</b>

**TRUSTEE CHECKING**

**Account Number: 3910019625**

Enclosures	30	Beginning Balance	\$201,771.01
		+Total Additions	\$280,160.10
		-Total Subtractions	\$345,055.84
		Ending Balance	\$136,875.27

\* Indicates a Skip in Check Number(s)  
"E" Indicate an Electronic Check

Period Covered:  
November 30, 2019 - December 31, 2019  
Page 2 of 12

**Checks**

Check #	Date	Amount
293	12-06	\$124.28
294	12-04	\$3,130.85
296*	12-04	\$6,000.00
301*	12-03	\$2,400.00
303*	12-02	\$1,517.00
304	12-02	\$70.00
305	12-31	\$937.50
306	12-31	\$875.00
310*	12-12	\$11,600.00
311	12-09	\$134.88
313*	12-09	\$2,156.00
314	12-09	\$108.33
315	12-09	\$5,700.00
316	12-17	\$1,862.50
317	12-11	\$2,400.00
320*	12-10	\$4,828.92
321	12-09	\$42,035.00
322	12-16	\$1,147.00
323	12-16	\$323.75
324	12-16	\$149.04
325	12-16	\$124.28
326	12-11	\$110.85
327	12-26	\$1,208.00
329*	12-23	\$1,050.00
330	12-26	\$2,400.00
331	12-24	\$1,480.00
332	12-23	\$2,044.00
333	12-23	\$5,925.00
334	12-23	\$171.17
335	12-31	\$190.68

**Debits**

Date	Description	Subtractions
12-02	WIRE TO MLDC 1 LLC	\$58,513.86
12-02	WIRE TO RANDY MICHELSON	\$25,000.00
12-09	WIRE TO MLDC 1 LLC	\$46,777.14
12-13	WIRE TO MLDC 1 LLC	\$36,629.92
12-20	WIRE TO MLDC 1 LLC	\$34,723.80
12-26	WIRE TO MLDC 1 LLC	\$36,724.59
12-27	WA DEPT REVENUE TAXPYMT 191226 CCD	\$4,482.50

**Credits**

Date	Description	Additions
12-04	REMOTE DEPOSIT REF#0100019	\$9,000.00
12-05	WIRE FROM COINME INC	\$64,180.62
12-12	WIRE FROM COINME INC	\$65,165.42
12-17	REMOTE DEPOSIT REF#0100020	\$18,578.70
12-19	WIRE FROM COINME INC	\$62,028.29
12-26	WIRE FROM COINME INC	\$61,207.07

**Daily Balances**

Date	Amount	Date	Amount	Date	Amount
12-02	\$116,670.15	12-03	\$114,270.15	12-04	\$114,139.30
12-05	\$178,319.92	12-06	\$178,195.64	12-09	\$81,284.29
12-10	\$76,455.37	12-11	\$73,944.52	12-12	\$127,509.94
12-13	\$90,880.02	12-16	\$89,135.95	12-17	\$105,852.15
12-19	\$167,880.44	12-20	\$133,156.64	12-23	\$123,966.47
12-24	\$122,486.47	12-26	\$143,360.95	12-27	\$138,878.45
12-31	\$136,875.27				

**Executive Summary:** For the calendar month of December 2019, the Moses Lake Data Center (MLDC) generated gross revenues of \$206,919 which represented a 12.3% decrease in revenue from November 2019 of \$235,89.

TNT generated \$78,106, a 9.6% decrease in revenue from November's \$86,416 in revenue.

The total gross revenue generated combined for both sites for October was \$285,025.0, down 11.6% from November's number of \$322,305.

The reduction in revenue month on month is largely due to the expected increasing difficulty in mining Bitcoin, coupled with the reduction in sales prices, and the unwelcome return of difficulty increases in Litecoin as well as the continuing drop in Litecoin prices.

**S9 Machine Mining (primarily Bitcoin):** Revenues for S9s decreased primarily due to a drop in Bitcoin prices in December. In November, the average daily sell price for a Bitcoin was \$8331/BTC. December's average daily sales price plummeted to \$7195/BTC. While we enjoyed a 14-day period where difficulty decreased, it once again started to rise again on December 20<sup>th</sup>.



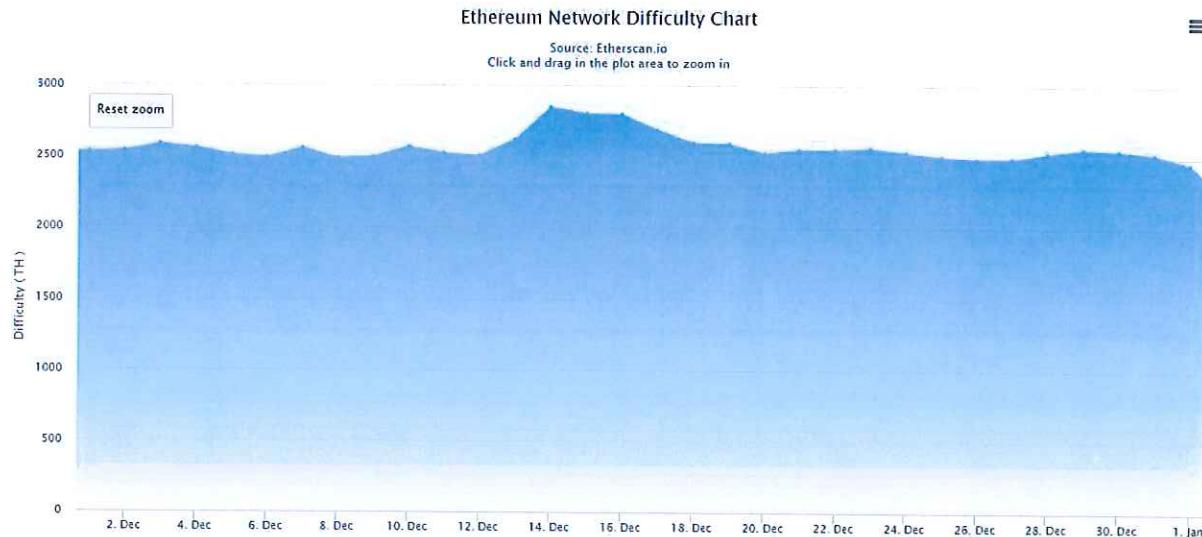
**L3+ Machine Mining (primarily Litecoin):** Revenues from these machines decreased from November due primarily to the significant price drop in Litecoin. In December, the average daily sales price of a Litecoin was \$136.35/LTC, down from November's daily sales price of \$172.28/LTC. While LTC difficulty continues to drop through December 19 as projected, we experienced three unexpected increases in difficulty at the same time as price was dropping starting December 20th. We may have experienced

the “bottom” of Litecoin mining difficulty and now be susceptible to the same issue we have been experiencing with Bitcoin where new technology is being deployed, driving up difficulty while price is dropping.



### GPU Mining (primarily Ethereum):

Revenue for Ethereum mining dropped in December almost exclusively due to price. In December, the average sales price per Ethereum (ETH) was \$136.44. That same coin in November had an average sales price \$171.88. Difficulty dropped slightly month on month, but we did experience about a six-day period where difficulty increased then dropped back to normal as reflected in the chart below.



In summary, prices continue to fall for all currencies from the highs in July and we have no reliable market indicators that prices for BTC, LTC or ETH will increase significantly in 2020. Assuming the case that market prices are stable, we can assume that mining rewards from the S9 machines (BTC) will continue to decrease due to increasing difficulty and new technology being deployed by competitors. We still have good margins on a per machine basis so it's profitable to continue operating these S9 machines if we look solely at the net margin after the cost of power. Reversing the trend of increasing revenues from mining LTC, we should expect the L3+ machines (mining Litecoin) will now begin to decrease from increasing difficulty. Finally, our GPU mining machines (mining Ethereum), which is currently the most profitable technology to mine on a per kilowatt hour, will remain our best technology equipment going into 2020 as long as difficulty continue to grow at the sub 1% level or stays at a flat rate.